

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroomPublic Contact: 800.829.1040

Tax-filing Extension Expires Oct. 15; Don't Overlook Tax Breaks, Choose e-file or Free File, IRS Urges

IR-2007-165, Oct. 5, 2007

WASHINGTON — The Internal Revenue Service today urged taxpayers whose tax-filing extension runs out on Oct. 15 to double check their returns for often-overlooked tax breaks and then file their returns electronically using IRS e-file or the Free File system.

Many of the more than 10.2 million taxpayers who requested an automatic six-month extension this year have yet to file. [IRS e-file](#) is fast, accurate and secure, making it an ideal option for those rushing to meet the Oct. 15 deadline. The IRS verifies receipt of an e-filed return, and people who file electronically make fewer mistakes too. A record 58 percent of the 135.3 million returns received so far this year have been filed electronically.

In addition, the IRS urges all taxpayers with incomes at or below \$52,000 to file their returns for free using the [Free File](#) link on IRS.gov. Seven in 10 taxpayers qualify to use the software and electronic-filing services made available through the Free File Alliance, a public-private partnership between the IRS and a consortium of tax-preparation software manufacturers. Telephone customers can also use Free File to request this year's one-time telephone excise tax refund.

Taxpayers who have purchased their own software or use a paid tax preparer are also urged to file their returns electronically. Almost 78.8 million individual taxpayers have already used IRS e-file, a 9 percent increase over last year at this time.

Taxpayers who file electronically can e-file and [e-pay](#) in a single step by authorizing an electronic funds withdrawal or making a credit card payment. The IRS does not charge a fee for processing an electronic funds withdrawal. However, credit-card payments are subject to convenience fees charged by the authorized service providers.

Paper filers, as well as electronic filers, who cannot pay what they owe, may be able to set up a payment agreement with the IRS. Check out the [Online Payment Agreement](#) section on IRS.gov for more information.

Anyone expecting a refund can get it sooner by choosing direct deposit. Nearly three in five refunds have been direct-deposited this year, a new record. This year for the first time, taxpayers can choose to have their refunds deposited into as many as three accounts.

Before filing, the IRS urges taxpayers to take a moment to check out these often-overlooked tax breaks:

- [Telephone Excise Tax Refund](#): This is a one-time refund of long-distance excise taxes available on tax year 2006 income-tax returns. The refund applies to charges billed from March 2003 through July 2006. The government offers a standard refund amount of \$30 to \$60, or taxpayers can base their refund request on the actual amount of tax paid. Even if a taxpayer does not normally have to file a return, [Form 1040EZ-T](#) (also available through Free File) can be used to request this refund.
- [Earned Income Tax Credit](#): Earned income of less than \$38,348 in 2006 may qualify a taxpayer to claim the earned income tax credit. This credit, worth up to \$4,536, is available to low and moderate-income workers and working families. A special interactive "[EITC Assistant](#)" is available on IRS.gov to help taxpayers determine whether they are eligible.
- [Savers credit](#): Low-and moderate income workers who contributed to a retirement plan, such as an IRA or 401(k), may be able to take the savers credit. This credit is available in addition to any other tax savings that apply. Use [Form 8880](#) to claim the credit.
- [Extender tax breaks](#): Several popular tax breaks were renewed too late to be included on 2006 federal income tax forms. Accordingly, many taxpayers need to follow special instructions to claim the deduction for state and local sales taxes, the tuition and fees deduction, as well as the educator expense deduction. In addition, many who qualify for the tuition and fees deduction may reap greater tax savings by, instead, claiming the Hope credit or the lifetime learning credit for a particular student.

Some taxpayers can wait until after Oct.15, to file. This includes those serving in Iraq, Afghanistan or other [combat zone localities](#) and people affected by several [recent natural disasters](#).